Factors Influencing Entrepreneurship Decisions in Medan City Students

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ABSTRACT

The purpose of this study was to determine whether there was an influence of at least 1 variable from personality factors, social factors, family environmental factors and educational factors on entrepreneurship decisions in students of North Sumatra University, Medan State University, North Sumatra State Islamic University, North Sumatra Muhammadiyah University and University Medan Ganesha Polytechnic. This research was conducted using 135 respondents. From the results of the study, it was concluded that the most influential variable on the entrepreneurship decisions of Medan city students was social factors. The influence of the next variables sequentially are personality factors, family environment factors and educational factors. The results of this study also show that all variables have a positive and significant influence on the entrepreneurship decisions of Medan city students.

INTRODUCTION

The problem of unemployment is still a serious concern for Indonesia. This is because the availability of job opportunities cannot accommodate the increasing number of workers. Based on data from the Central Statistics Agency, the number of open unemployed according to the highest level of education completed at the level of never attending school, not completing elementary school, completing elementary school, completing junior high school in 2021 is 3,453,174 million people, while unemployment at the level of high school, vocational school, diploma and university education in 2021 as many as 5,648,878 million people. BPS data as of February 2019 shows that unemployment for diploma I/II/III graduates rose by 8.5% and the unemployment rate also increased by 25% for university graduates and of the 129.4 million working population, diploma I/II/III and university graduates only amounted to only 13% (Statistics, 2021). Efforts that can reduce the unemployment rate are by creating jobs. Creating jobs must be accompanied by an entrepreneurial spirit. One level of education that can be realized is higher education (Mardiah, 2021).

Universities are institutions that are expected to produce graduates who contribute positively to employment, especially in Indonesia. These graduates are required to be able to actualize and implement the knowledge they have acquired and mastered in their respective fields of work (Marliyah, Muhammad Yafiz, Budi Darma, 2022). The University of North Sumatra is a state university located in Medan, North Sumatra, Indonesia. USU was originally founded under the name North Sumatra University Foundation on June 4 1952. Medan State University is a tertiary institution that focuses on providing professional and qualified teachers for Indonesian education. Medan State University has produced hundreds of thousands of alumni who work in the academic, industrial and business fields. North Sumatra State Islamic University (abbreviated: UINSU) is a State Islamic Religious University located in Medan, North Sumatra, Indonesia. UINSU was originally established under the name of the State Islamic Institute (IAIN SU) in 1973. Then the status change of IAIN SU to become the State Islamic University (UIN) of North Sumatra was approved by Presidential Decree No. 131/2014 dated 16 October 2014 by the 6th President of Indonesia Susilo Bambang Yudhoyono. North Sumatra Muhammadiyah University, abbreviated as UMSU, is a business charity under the Muhammadiyah organization which originates from Islam and is based on the Al-Qur’an and Sunnah, founded in Medan on February 27 1957, located in the city of Medan, North Sumatra Province. And Ganesha Medan Polytechnic (Polgan) is a leading informatics and business campus in the city of Medan which provides quality education and job placement assistance for its alumni.

Previous research states that there are several factors that can increase students' decisions to become entrepreneurs, including personality, social, family environment and entrepreneurship education. Entrepreneurship education is one of the factors that can influence a person's decision to become an entrepreneur. Alma (Ginting, 2015:62) states that personality is a person's overall characteristics, which can take the form of thoughts, feelings, conscience, temperament and character. A successful entrepreneur has special personality characteristics that differentiate him from other people. With a person's personality, they can captivate other people and make them interested. Social is also a factor that can influence a person's
decision to become an entrepreneur. Social factors are a group of people who together closely consider equality in formal and informal community status or awards (Lamb et al, 2001). Social factors can be seen from relationships with friends, family and parents in influencing purchasing decisions. According to Kharani (in Gultom: 2021) the family environment is the environment where a child first receives education and guidance after they are born and in this process the parents are the party who is fully responsible. Including if parents are already entrepreneurs in a certain field, this can arouse their child's interest in entrepreneurship (Gultom, 2021).

According to Wibowo (2011) entrepreneurship education is an effort to instill an entrepreneurial spirit and mentality both from educational institutions and other institutions, such as training institutions (Mardiah, 2021). The indicators used according to Mustafa (2014): dare to take risks, analyze business opportunities and formulate solutions to problems (Hendrawan, Josia Sanchaya, 2017). Entrepreneurial decisions are the activity of choosing and determining an alternative that is considered the most profitable from several alternatives that are owned. According to Syamsi (2010), According to Wilda (2023), several students found that according to Wilda (2023), some students do not want to become entrepreneurs because they feel lazy and proud to market their products, therefore they do not have the confidence to carry out entrepreneurship, apart from that, students do not dare to take the risk of loss.

LITERATURE REVIEW

Personality Factors

Alma (Putra, 2012) further explained that one of the factors that encourages students to become entrepreneurs is personal or also called personality. Therefore, entrepreneurship requires a good personality, so as to create a productive personality which will later function in developing entrepreneurship.

Social Factors

Social factors are a group of people who together closely consider equality in formal and informal community status or respect (Lamb et al, 2001). Social factors can be seen from relationships with friends, family and parents in influencing purchasing decisions.

Family environment

According to Hasbullah (2012, p. 38), the family environment is the first educational environment, because it is in this family that children first receive education and guidance.
Entrepreneurship education

According to Rosyanti and Irianto (2019:588) Entrepreneurship education is a planned and applied effort to increase the knowledge, intention or intention and competence of students to develop their potential by manifesting it in creative, innovative behavior and the courage to take and manage risks.

Entrepreneurial decisions

Entrepreneurial decisions are actions taken by individuals, groups or organizations in the context of carrying out entrepreneurial activities or owning a business.

Framework

The framework created by the researcher is in the form of a thought table. The rationale for this research is to find out whether these factors influence a person’s decision to become an entrepreneur.

Hypothesis

The hypothesis formed in this research is based on theories from several previous studies so it is hoped that the hypothesis is valid enough to be tested. Based on the research model above, the following hypothesis is taken: Y: There is at least one variable (the influence of personality factors, social factors, family environmental factors and educational factors) on entrepreneurial decisions.

Ha1: There is an influence of personality factors on entrepreneurial decisions.

Ha2: There is an influence of social factors on entrepreneurial decisions.

Ha3: There is an influence of family environmental factors on entrepreneurial decisions.

Ha4: There is an influence of entrepreneurial education factors on entrepreneurial decisions.
Ha5: There is an influence of personality factors, social factors, family environmental factors, and entrepreneurial education factors on entrepreneurial decisions.

RESEARCH METHODS

Research design

This research design uses quantitative descriptive research. The aim of descriptive research with a quantitative approach is to explain the characteristics of the variables studied so as to further strengthen the researcher's analysis in making a conclusion, because this research aims to explain the factors that influence entrepreneurial decisions among students in the city of Medan.

Population and Sample

The population in this study are students in the city of Medan, namely at the University of North Sumatra which has a population of 51,320 for the 2022 academic year. Data source: usu.ac.id, Medan State University has a population of 30,247 for the 2022 academic year. Data source: unimed.ac.id, University Islamic State of North Sumatra has a population of 30,735 in the 2022 academic year data source: uinsu.ac.id, North Sumatra Muhammadiyah University has a population of 29,418 in the 2022 academic year data source: umsu.ac.id, and Ganesha Medan Polytechnic University has a population of 10,000 2022 teachings data source: polgan.ac.id. 135 Samples from students in research with sampling using purposive sampling method. namely by selecting respondents who meet certain predetermined criteria. The criteria for respondents taken in this research are Medan city students who are influential and not in the decision to become entrepreneurs (Sugiyono, 2019).

Data Collection and Data Analysis Techniques

The data collection technique is carried out by giving a set of questions through an online survey using a questionnaire to respondents to be answered with the help of Google Form. This research uses data obtained from questionnaires and will be analyzed using multiple linear regression analysis with the IBM statistics SPSS 29 application.

RESULTS AND DISCUSSION

Validity test

In this research, questionnaires were distributed to 135 respondents who were all Medan city students. Each personality factor variable statement has been tested using SPSS Version 29 for Windows software and the results obtained show that each statement has a Corrected Item-Total Correlation score greater than 0.3. The following are the results of testing the variable factors which are presented in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Corrected Item-Total Correlation</th>
<th>r table</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality Factors</td>
<td>X1.1</td>
<td>0.925</td>
<td>0.195</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Triyani, Ramadhani & Nurbaiti, Factors Influencing Entrepreneurship...
Personality Factors, Social Factors, Family Environmental Factors, and Entrepreneurship Education Factors. Each statement of the variables Personality Factors, Social Factors, Family Environmental Factors, and Entrepreneurship Education Factors has been tested using SPSS Version 29 for Windows software and the results obtained show that each statement has a Corrected Item-Total Correlation score greater than 0.3. The following are the results of testing the variables Personality Factors, Social Factors, Family Environmental Factors, and Entrepreneurship Education Factors which are presented in Table 2.

### Table 2. Validity Test of Personality Factors, Social Factors, Family Environmental Factors, Entrepreneurship Education Factors

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Corrected Item-Total Correlation</th>
<th>r table</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality Factors, Social Factors, Family</td>
<td>X1, X2, X3, dan X4</td>
<td>0,754</td>
<td>0,195</td>
<td>Valid</td>
</tr>
<tr>
<td>Environmental Factors, and Entrepreneurship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source of SPSS 29 output results

Reliability Test

A statement that states reliability if an instrument can produce changing measurements. Instrument testing uses Cronbach’s Alpha value. If the Cronbach’s Alpha value is > 0.6 then the instrument is declared reliable. The following are the results of testing the reliability of personality factor variables, social factors, family environmental factors and educational factors which will be presented in table 6.
Table 3. Reliability test for personality factors, social factors, family environmental factors and educational factors

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alph</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality Factors</td>
<td>.913</td>
<td></td>
</tr>
<tr>
<td>Social Factors</td>
<td>.714</td>
<td></td>
</tr>
<tr>
<td>Family Environment Factors</td>
<td>.638</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship Education Factors</td>
<td>.752</td>
<td></td>
</tr>
</tbody>
</table>

Classic assumption test

Normality, multicollinearity and heteroscedasticity tests are included in the following classical assumption tests.

Normality test

The following are the results of the normality test to see whether the data is normal or not.

Based on the results of the normality test carried out, it can be seen that the p-p plot or probability plot follows a diagonal line, which means the data is normally distributed.

Multicollinearity Test

Table 4. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.242</td>
<td>4.138</td>
</tr>
<tr>
<td>Personality Factors</td>
<td>.242</td>
<td>4.138</td>
</tr>
<tr>
<td>Social Factors</td>
<td>.219</td>
<td>4.561</td>
</tr>
<tr>
<td>Family Environment Factors</td>
<td>.739</td>
<td>1.345</td>
</tr>
<tr>
<td>Entrepreneurship Education Factors</td>
<td>.620</td>
<td>1.513</td>
</tr>
</tbody>
</table>

Dependent Variable: Entrepreneurial Decisions
Source of SPSS 29 output results

In the results of the Multicollinearity test, it was concluded that there was no multicollinearity in the Personality Factor, Social Factor, Family Environment Factor, Entrepreneurship Education Factor variables because the Vif value was < 10 and tolerance > 10 for the personality factor (4.138<10) and (0.242>0.10) , social factors (4.561<10) and (0.219>0.10), Family Environmental Factors (1.345<10) and (0.739>0.10), Educational factors (1.513<10) and (0.620>0.10)

Heteroscedasticity Test

Table 5. Results of HeteroscedasticityTester

Source of SPSS 29 output results

There are no symptoms of heteroscedasticity in the test, as shown by the scatterplot graph, where the data from the test results are random.

Research Data Analysis

Multiple Registry Analysis

Table 6. Multiple Registry Analysis Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficientsc</th>
<th>Standardized coefficientsc</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.106</td>
<td>.514</td>
</tr>
<tr>
<td>Personality Factors</td>
<td>.270</td>
<td>.170</td>
</tr>
<tr>
<td>Social Factors</td>
<td>.546</td>
<td>.208</td>
</tr>
<tr>
<td>Family Environment Factors</td>
<td>.213</td>
<td>.105</td>
</tr>
<tr>
<td>Entrepreneurship Education Factors</td>
<td>.240</td>
<td>.114</td>
</tr>
</tbody>
</table>

Dependent Variable: Entrepreneurial Decision

Source of SPSS 29 output results

Based on table 8, a multiple linear regression equation model is produced as follows:

\[ Y = 2.106 + 0.270X1 + 0.546X2 + 0.213X3 + 0.240X4 + e \]

Note: \( Y = \) entrepreneurial decision; \( X1 = \) personality factor; \( X2 = \) social factors; \( X3 = \) Family Environmental Factors; \( X4 = \) Education factor in regression analysis.

F-Test (Simultaneous)
Table 7. F Test Test Results (Simultaneous)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>50.618</td>
<td>3</td>
<td>16.873</td>
<td>19.673</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>84.049</td>
<td>98</td>
<td>.858</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>134.667</td>
<td>101</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Personality factors, Social factors, Family environmental factors and Educational factors

b. Dependent Variable: Entrepreneurial Decision

Source of SPSS 29 output results

In the ANOVA table, which can be seen in table 9, the results of analysis using SPSS show a level of significance of 0.000, which is smaller than 0.05. The results of simultaneous multiple linear regression coefficient testing (F-Test) show that there is at least one independent variable that will influence these variables.

T-Test (Partial)

Based on Table 9, individual testing of the influence of each independent variable on the dependent variable includes comparing the significance value of each variable with the α value (0.05), where the personality factor variable has a sig level of 0.004, the social factor variable has a sig level of 0.004. 0.004. sig level. of 0.004. sig level of 0.004. signature level 0.004.0.004. The sign value is 0.003, the Family Environment Factor variable has a sig value of 0.002 and the Education Factor variable has a sig value of 0.001 which is smaller than the α value (0.05), this shows that the first hypothesis, second, third and fourth hypotheses are not rejected.

DISCUSSION

All questions for each variable are about personal factors and social factors. Family environmental factors and educational factors were tested through a validity test and the results obtained showed that the correlation score between the adjusted items and the total score was greater than 0.3, meaning that all the questions asked were valid. Meanwhile, for the reliability test, all variables have a Cronbach Alpha value greater than 0.6, which shows that the four variables passed the reliability test. Classical hypothesis testing was also carried out on questionnaire responses from 135 respondents. There are three classical hypothesis tests carried out, namely the normality test, multicollinearity test and heteroscedasticity test. The results of the normality test carried out show that the p-p plot or probability plot follows a diagonal line, which means the data is normally distributed. The processed data shows that there is no multicollinearity phenomenon because the VIF value < 10 is 4.138 for the personality factor variable, 4.561 for the social factor variable and 1.345 for the family environment factor variable, namely 1.513. Apart from that, heterogeneity also occurs because the scatterplot spreads randomly and spreads above and below zero on the Y axis. Three tests carried out for multiple regression analysis, namely the F test (concurrent test) and t test (partial test) explain that the significance value less than 0.05, namely 0.000, which means the four independent variables (personality), social factors, family environmental factors, and educational factors simultaneously have a significant influence on the variable in question (decision to start a business). For the t test (partial test), the results showed that 4 variables had a significant influence on the related variables because the significance value was less than 0.05, namely 0.004 for personality factors, 0.003 for social factors, 0.002 for family factor, environmental factor. and 0.001 for the education factor.
1. The first hypothesis is that personality factors have a significant influence on the entrepreneurial decisions of Medan city students. The results obtained from the research support this hypothesis because personality factors significantly influence entrepreneurial decisions in the city of Medan.

2. The second hypothesis is that social factors have a significant influence on the entrepreneurial decisions of Medan city students. As in the first hypothesis, the results obtained from the research also support the second hypothesis because personality factors significantly influence entrepreneurial decisions in the city of Medan.

3. The third hypothesis is that family environmental factors have a significant influence on the entrepreneurial decisions of Medan city students. Just like the first and second hypotheses, the results obtained from the research also support the third hypothesis because family environmental factors significantly influence the entrepreneurial decisions of Medan city students.

4. The fourth hypothesis is that the educational factor has a significant influence on the entrepreneurial decisions of Medan city students. Just like the first, second and third hypotheses, the results obtained from the research also support the fourth hypothesis because the educational factor significantly influences the entrepreneurial decisions of Medan city students.

5. The fifth hypothesis is that Personality Factors, Social Factors, Family Environmental Factors, and Entrepreneurship Education Factors have a significant influence on the entrepreneurial decisions of Medan city students. Just like the first, second, third and fourth hypotheses, the results obtained from the research also support the fifth hypothesis because Personality Factors, Social Factors, Family Environmental Factors, and Entrepreneurship Education Factors significantly influence the entrepreneurial decisions of Medan city students.

The Influence of Personality Factors on Entrepreneurial Decisions

First put forward by Erich From (in Buchari Alma 2013: 78) who said that personality factors are the totality of psychic qualities that are inherited or acquired uniquely in a person which makes him unique. All personality factors tend to be significant except leadership. In line with the opinion of Osman Jusoh (2011), the results of his research state that the influence of personality factors on entrepreneurial decisions is educational factors seen from the social and family environment. From several previous studies, it can be concluded that the influence of personality factors on entrepreneurial decisions consists of several indicators, namely:

1. Creative Ideas. Creativity is often defined as the ability to create truly new things, new combinations of existing things to produce something new, or to make something less meaningful more meaningful.

The Influence of Social Factors on Entrepreneurial Decisions

Social is everything about society and society. Meanwhile, according to Soedjono Soekanto, what is meant by social is the general prestige of a person in society. From several previous studies, it can be concluded that the influence of social factors on entrepreneurial decisions consists of several indicators, namely: support system, part of the social bond function that describes quality relationships between individuals, including friendship, friendship and romantic relationships. Apart from providing emotional satisfaction, these relationships also provide support during difficult times in life.

The Influence of Family Environmental Factors on Entrepreneurial Decisions

The more conducive the family environment around them is, the more it will encourage someone to become an entrepreneur. If the family environment is supportive, a person will have a higher intention to become an entrepreneur than if they do not have support from the family environment. Research conducted by Suhartini (2011) concluded that the family environment influences entrepreneurial decisions. The more conducive the
family environment around them is, the more it will encourage someone to become an entrepreneur. If the family environment is supportive, a person will have a higher intention to become an entrepreneur than if they do not have support from the family environment.

The influence of educational factors on entrepreneurial decisions

According to (Deden, 2016) in his research, entrepreneurship education will encourage someone to understand entrepreneurship and with this understanding of entrepreneurship someone will make a decision to start a business. Based on the opinions expressed above, it can be concluded that entrepreneurship education has a positive and significant influence on entrepreneurial decisions. This shows that the higher the training knowledge about entrepreneurship, the stronger the passion for entrepreneurship.

Influence of Personality Factors, Social Factors, Family Environmental Factors, Entrepreneurship Education Factors on entrepreneurial decisions

Because the specific values of personality factors, social factors, family environmental factors and entrepreneurial training factors have a significant influence on the decision to start a business and social factor, family environmental factors and entrepreneurial training factors have a significant influence on the decision to start a business. According to Suryana (2003:1), entrepreneurship is the ability to innovate and innovation functions as a foundation, guideline and resource for finding opportunities for success. According to Hisrich-Peters (1998:10), entrepreneurship is defined as follows: “Entrepreneurship is the process of creating something different and valuable by devoting the necessary time and effort, accepting the financial, psychological and social risks of the venture and accepting the results. Imbalance in the form of financial and personal satisfaction and independence.

CONCLUSION

Based on the results of research conducted by the author regarding the influence of variables, namely personality factors, social factors, family environmental factors and educational factors on the variable namely entrepreneurial decisions in Medan city students, it can be concluded as follows: (1) there is an influence of at least one variable (personality factors, social factors, family environmental factors and educational factors) on the entrepreneurial decisions of Medan city students. This shows that the magnitude of the significance value from the ANOVA table (f-test) is smaller than $\alpha$ (0.05), namely 0.000; (2) Personality factors influence the entrepreneurial decisions of Medan city students. This shows that the significance value of the personality factor is smaller, $\alpha$ (0.05), namely 0.004; (3) social factors influence the entrepreneurial decisions of Medan city students. This shows that the significance value of the social factor is smaller, $\alpha$ (0.05), namely 0.003; (4) family environmental factors influence the entrepreneurial decisions of Medan city students. This shows that the significance value of the family environmental factor is smaller, $\alpha$ (0.05), namely 0.002. (5) Entrepreneurial education factors influence the entrepreneurial decisions of Medan city students. This shows that the significance value of the family environment factor is smaller, $\alpha$ (0.05), namely 0.001.

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